

HOUSE BILL No. 1599

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3.5; IC 12-7-2; IC 12-13; IC 12-19; IC 16-33-4-17.5; IC 16-35; IC 20-26-11; IC 20-33-2-29; IC 31-9-2; IC 31-25-2; IC 31-31-8; IC 31-34; IC 31-37-20-0.5; IC 31-40.

Synopsis: Role of department of child services. Beginning in 2008: (1) consolidates the county family and children's fund, children's psychiatric residential treatment services fund, county medical assistance to wards fund, and children with special health care needs county fund into a new child welfare fund; (2) limits the levy that may be imposed for the child welfare fund; (3) requires money in the child welfare fund to be deposited in the state child welfare fund; and (4) transfers responsibility for paying child welfare expenses to the state. Allows the department of child services (DCS) to file a report objecting to services ordered in a dispositional decree entered by the juvenile court. Allows the DCS to charge back to a county the difference, if any, in the cost between the services ordered by the juvenile court in a dispositional decree and the services recommended by the DCS in the objection to services report.

Effective: January 1, 2008.

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January 23, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1599

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]: Sec. 14. The county auditor shall initiate an
4 appeal to the department of local government finance if the county
5 fiscal body or the county board of tax adjustment reduces

6 ~~(1) a township assistance tax rate below the rate necessary to meet~~
7 ~~the estimated cost of township assistance.~~

8 ~~(2) a family and children's fund tax rate below the rate necessary~~
9 ~~to collect the levy recommended by the department of child~~
10 ~~services; or~~

11 ~~(3) a children's psychiatric residential treatment services fund tax~~
12 ~~rate below the rate necessary to collect the levy recommended by~~
13 ~~the department of child services.~~

14 SECTION 2. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006,
15 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2008]: Sec. 3. (a) Except as provided in subsection (b),
17 the sum of all tax rates for all political subdivisions imposed on



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tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the ~~family and children's fund~~ **child welfare fund** for:

(A) child services (as defined in IC 12-19-7-1); or

(B) **children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).**

(7) To meet the requirements of the county hospital care for the indigent fund.

~~(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).~~

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment, a county

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auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 3. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

(1) IC 12-16, except IC 12-16-1.

~~(2) IC 12-19-5.~~

~~(3) (2) IC 12-19-7.~~

~~(4) IC 12-19-7.5.~~

~~(5) (3) IC 12-20-24.~~

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 4. IC 6-1.1-21-2, AS AMENDED BY P.L.67-2006, SECTION 4, AND AS AMENDED BY P.L.2-2006, SECTION 57, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed *on or before March 1 of* each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change

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assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) (*before its repeal*); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (**repealed**), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

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(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (*before its repeal*) or IC 20-46-6 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (*before its repeal*) or IC 20-46-3 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

(iv) IC 36-10-13-7 for an art association fund; plus

(v) IC 21-2-17 (*before its repeal*) or IC 20-46-2 for a special education preschool fund; plus

(vi) IC 21-2-11.6 (*before its repeal*) or IC 20-46-1 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 (*before its repeal*) or IC 20-45-6-8 for an increase in a school corporation's maximum permissible *general fund* tuition support levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 (*before its repeal*) or IC 20-46-4-10 for an increase in a school corporation's maximum permissible *general transportation* fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under ~~IC 6-1.1-19~~ IC 6-1.1-19-4.5 (*before its repeal*), including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 (*before its repeal*), IC 20-45-3, or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (*as effective January 1, 1990*) or

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IC 6-1.1-18.5-19(b) STEP THREE (*as effective January 1, 1990*), whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (*as effective before January 1, 1989*), filed after December 31, 1982; or (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (*as effective January 1, 1995*) for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b) (*as effective before March 16, 2004*) and IC 12-19-7-4 (*as effective after March 15, 2004*); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 (*before its repeal*) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (*as effective January 1, 1995*) for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) (*as effective before March 16, 2004*) and IC 12-19-7-4 (*as effective after March 15, 2004*) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad

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valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes ~~which that~~ each county auditor is required to prepare ~~on or before March 1 of~~ each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, except as otherwise provided by law, equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, except as otherwise provided by law, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that

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is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

SECTION 5. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

| | |
|----------------------------|--------|
| Center Township | .0251 |
| Decatur Township | .00217 |
| Franklin Township | .0023 |
| Lawrence Township | .01177 |
| Perry Township | .01130 |
| Pike Township | .01865 |
| Warren Township | .01359 |
| Washington Township | .01346 |
| Wayne Township | .01307 |
| Lawrence-City | .00858 |
| Beech Grove | .00845 |
| Southport | .00025 |
| Speedway | .00722 |
| Indianapolis/Marion County | .86409 |

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

| | |
|-----------------|-------------|
| Center Township | \$1,898,145 |
|-----------------|-------------|

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|----|---------------------|-------------|
| 1 | Decatur Township | \$164,103 |
| 2 | Franklin Township | \$173,934 |
| 3 | Lawrence Township | \$890,086 |
| 4 | Perry Township | \$854,544 |
| 5 | Pike Township | \$1,410,375 |
| 6 | Warren Township | \$1,027,721 |
| 7 | Washington Township | \$1,017,890 |
| 8 | Wayne Township | \$988,397 |
| 9 | Lawrence-City | \$648,848 |
| 10 | Beech Grove | \$639,017 |
| 11 | Southport | \$18,906 |
| 12 | Speedway | \$546,000 |

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 **and** IC 12-19-7 ~~and IC 12-19-7.5~~ for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 **and** IC 12-19-7 ~~and IC 12-19-7.5~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision

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(1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 and IC 12-19-7 and ~~IC 12-19-7.5~~ for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 12-19-7 and ~~IC 12-19-7.5~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

SECTION 6. IC 6-3.5-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11(a) of this chapter, the department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the 2001 calendar year. The department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(b) If the fiscal body of a municipality in a qualifying county adopts an ordinance in a calendar year under section 11(c) of this chapter, the department of local government finance may not certify a budget for

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the municipality under IC 6-1.1-17-16(f) for the calendar year that immediately succeeds the calendar year in which the ordinance is adopted that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year in which the ordinance was adopted. The department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(c) Before July 1 of 2002 and of each year thereafter, the department of local government finance shall review the budget approved for each municipality in a qualifying county in which a municipal option income tax is in effect to determine whether the restriction under subsection (a) or (b) has been applied. If the restriction has not been applied:

(1) the municipal option income tax is rescinded as of July 1 of the year in which the review was made;

(2) the municipality may not impose the municipal option income tax for any later year; and

(3) the municipality is:

(A) subject to subsection (d), if the municipality adopted the municipal option income tax in 2002; or

(B) subject to subsection (e), if the municipality adopted the municipal option income tax in a year that succeeds 2002.

(d) In May 2003, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after August 31, 2001, and before July 1, 2002. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this subsection from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(e) In May 2004, and in May of each year thereafter, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under

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1 this subsection. Not later than thirty (30) days after receiving
 2 notification from the department of state revenue, the municipality
 3 shall transfer the amount determined by the department under this
 4 section from the municipality's general fund to the ~~county family and~~
 5 ~~children's child welfare~~ fund of the qualifying county in which the
 6 municipality is located.

7 (f) If a municipality makes a transfer from its general fund to the
 8 county's ~~family and children's child welfare~~ fund as described in
 9 subsection (d) or (e), the department of local government finance shall
 10 reduce by the amount transferred the county's maximum ~~family and~~
 11 ~~children's child welfare~~ fund levy under ~~IC 6-1.1-18.6~~ **IC 12-19-7** for
 12 the calendar year that immediately succeeds the year in which the
 13 transfer is made.

14 (g) This subsection applies if the fiscal body of a municipality in a
 15 qualifying county adopts an ordinance under section 11 of this chapter
 16 to impose a municipal option income tax. The maximum permissible
 17 ad valorem property tax levy of the municipality is not subject to any
 18 increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes
 19 payable in:

- 20 (1) the calendar year that immediately succeeds the calendar year
- 21 in which the ordinance is adopted; and
- 22 (2) each succeeding calendar year in which the municipal option
- 23 income tax remains in effect.

24 (h) This subsection applies if the fiscal body of a municipality in a
 25 qualifying county adopts an ordinance under section 14 of this chapter
 26 to rescind the municipal option income tax, or if the municipal option
 27 income tax in a municipality is rescinded by operation of law. For
 28 purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP
 29 ONE, the preceding calendar year is considered to be the calendar year
 30 in which an ordinance was adopted under section 11 of this chapter to
 31 impose the municipal option income tax.

32 SECTION 7. IC 12-7-2-64, AS AMENDED BY P.L.141-2006,
 33 SECTION 16, AND AS AMENDED BY P.L.145-2006, SECTION 47,
 34 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2008]: Sec. 64. "Director" refers to the
 36 following:

- 37 (1) With respect to a particular division, the director of the
- 38 division.
- 39 (2) With respect to a particular state institution, the director who
- 40 has administrative control of and responsibility for the state
- 41 institution.
- 42 (3) For purposes of IC 12-10-15, the term refers to the director of

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the division of *disability, aging, and rehabilitative services*.

~~(4)~~ For purposes of IC 12-19-5, the term refers to the director of the department of child services established by IC 31-33-1.5-2. ~~IC 31-25-1-1.~~

~~(5)~~ (4) For purposes of IC 12-25, the term refers to the director of the division of mental health and addiction.

~~(6)~~ (5) For purposes of IC 12-26, the term:

(A) refers to the director who has administrative control of and responsibility for the appropriate state institution; and

(B) includes the director's designee.

~~(7)~~ (6) If subdivisions (1) through ~~(6)~~ (5) do not apply, the term refers to the director of any of the divisions.

SECTION 8. IC 12-7-2-91 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

~~(2)~~ For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.

~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

~~(5)~~ (4) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

~~(6)~~ (5) For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

~~(7)~~ (6) For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

~~(8)~~ (7) For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.

~~(9)~~ (8) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(10)~~ (9) For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

~~(11)~~ (10) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

~~(12)~~ (11) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

~~(13)~~ (12) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 9. IC 12-13-5-5, AS AMENDED BY P.L.234-2005,

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SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the county welfare fund (before July 1, 2001), the ~~family and children's~~ **child welfare** fund, and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division or the department of child services.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division or the department of child services and the state board of accounts.

SECTION 10. IC 12-13-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. The part of the care and maintenance of the inmates of the Plainfield Juvenile Correctional Facility and the Indianapolis Juvenile Correctional Facility that under law is to be charged back to the counties shall be paid from the county general fund. ~~and not the county family and children's fund; unless otherwise provided by law.~~

SECTION 11. IC 12-19-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) ~~A county office~~ **The department of child services** may receive and administer a gift, devise, or bequest of personal property, including the income from real property, that is:

(1) to or for the benefit of a home or an institution in which dependent or neglected children are cared for under the supervision of the ~~county office;~~ **department of child services;** or

(2) for the benefit of children who are committed to the care or supervision of the ~~county office;~~ **department of child services.**

(b) ~~A county office~~ **The department of child services** may invest or reinvest money received under this section in the same types of securities in which life insurance companies are authorized by law to invest the money of the life insurance companies.

(c) The following shall be kept in a ~~special~~ **the family and children trust clearance** fund and may not be commingled with any other fund or with money received from taxation:

(1) All money received by the ~~county office~~ **department of child services** under this section.

(2) All money, proceeds, or income realized from real property or other investments.

(d) Subject to the ~~approval of the judge or the court of the county having probate jurisdiction;~~ **conditions imposed on the gift, devise, or bequest by the donor,** money described in subsection (c)(1) or (c)(2) may be expended by the ~~county office~~ **department of child services**

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in any manner consistent with the purposes of the fund's creation and with the intention of the donor.

SECTION 12. IC 12-19-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. ~~(a) This section does not apply to money received to reimburse the county family and children's fund for expenditures made from the appropriations of the county office.~~

(a) The family and children trust clearance fund is established. The department of child services shall administer the fund as a trust fund. Money in the fund may be invested as money in other trust funds are invested. The balance of the fund at the end of a state fiscal year does not revert to the state general fund.

~~(b) A county office~~ **The department of child services** may receive and administer money available to or for the benefit of a person receiving payments or services from the county office. The following applies to all money received under this section:

(1) The money shall be kept in ~~a special fund known as the county family and children trust clearance fund~~ and may not be commingled with any other fund or with money received from taxation.

(2) The money may be expended by the ~~county office~~ **department of child services or the division** in any manner consistent with the following:

(A) The purpose of the ~~county~~ family and children trust clearance fund or with the intention of the donor of the money.

(B) Indiana law.

SECTION 13. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.5. As used in this chapter, "implementation date" means the following:**

(1) December 31, 1999, for pledges described in section 8(a)(1) of this chapter.

(2) May 31, 2007, for pledges described in section 8(a)(2) of this chapter.

SECTION 14. IC 12-19-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in **the following:**

(1) 1999 for:

~~(1)~~ **(A)** the county welfare fund; and

~~(2)~~ **(B)** the county welfare administration fund.

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(2) 2007 for:

(A) the county family and children's fund;

(B) the children's psychiatric residential treatment services fund;

(C) the county medical assistance to wards fund; and

(D) the children with special health care needs county fund.

SECTION 15. IC 12-19-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) This chapter applies to an allocation area in which **either:**

(1) the:

(A) holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

~~(2) the~~ (B) elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in ~~subdivision (1)~~: **clause (A); or**

(2) the:

(A) holders of obligations received a pledge before June 1, 2007, of tax increment revenues to repay any part of the obligations due after May 31, 2007; and

(B) limitations on the county family and children's fund levy, the children's psychiatric residential treatment services fund levy, the county medical assistance to wards fund levy, or the children with special health care needs county fund levy enacted by the general assembly in 2007 adversely affects the ability of the governing body to repay the obligations described in clause (A).

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 16. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999~~: **the implementation date**. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the

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numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or

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sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

SECTION 17. IC 12-19-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter, "fund" refers to a **family and children's child welfare** fund established by this chapter.

SECTION 18. IC 12-19-7-3, AS AMENDED BY P.L.234-2005, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A **family and children's child welfare** fund is established in each county.

(b) The ~~fund~~ **county** shall ~~be raised by levy~~ a separate tax levy (the county **family and children's child welfare** property tax levy) **for the fund** that:

(1) is in addition to all other tax levies authorized **for the county**; and

(2) shall be levied annually by the county fiscal body on all taxable property in the county. ~~in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 6 of this chapter.~~

The total tax levy that a county may impose under this section equals the amount determined under section 4 of this chapter. ~~(b)~~ The **property** tax **levy** imposed under this section shall be collected as other state and county ad valorem **property** taxes are collected.

(c) The following shall be paid into the county treasury and constitute the **family and children's child welfare** fund:

(1) All receipts from the tax imposed under this section.

~~(2) All grants-in-aid, whether received from the federal government or state government.~~

(2) The:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise taxes (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft excise tax (IC 6-6-6.5);

revenue that is distributed to the county as a result of the county's share of property taxes imposed for the fund.

(3) Any other money required by law to be placed in the fund.

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(d) The fund is available for the purpose of ~~paying expenses and obligations set forth in the annual budget that is submitted and approved; making a distribution to the state required under section 35 of this chapter.~~

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 19. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) For taxes first due and payable in each year after ~~2005~~, **2007**, each county shall impose a county ~~family and children~~ **child welfare** property tax levy equal to the ~~county family and children~~ property tax levy necessary to pay the costs of the child services of the county for the next fiscal year: **result determined in STEP EIGHT of the following formula:**

STEP ONE: Determine the sum of the following:

(1) The result of:

(A) the amounts paid by the county in 2003, as determined by the state board of accounts, for child services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2003, whether received from the federal government or from the state; plus

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2003; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2003;

as adjusted by the department of local government finance by using the gross domestic product implicit price inflator, state and local subseries, to account for inflation between 2003 and 2007.

(2) The result of:

(A) the amounts paid by the county in 2004, as determined by the state board of accounts, for child services or administration of the county office from the county family and children's fund, including amounts

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1 paid for psychiatric residential treatment services;
2 minus

3 (B) the sum of:

4 (i) any grants-in-aid deposited in the county family and
5 children's fund in 2004, whether received from the
6 federal government or from the state;

7 (ii) any excise tax, income tax, or other revenue not
8 derived from property taxes that was deposited in the
9 county family and children's fund in 2004; plus

10 (iii) any other amounts received as reimbursements from
11 the state (including reimbursements made with federal
12 money) and deposited in the county family and children's
13 fund in 2004;

14 as adjusted by the department of local government finance
15 by using the gross domestic product implicit price inflator,
16 state and local subseries, to account for inflation between
17 2004 and 2007.

18 (3) The result of:

19 (A) the amounts paid by the county in 2005, as
20 determined by the state board of accounts, for child
21 services or administration of the county office from the
22 county family and children's fund, including amounts
23 paid for psychiatric residential treatment services;
24 minus

25 (B) the sum of:

26 (i) any grants-in-aid deposited in the county family and
27 children's fund in 2005, whether received from the
28 federal government or from the state; plus

29 (ii) any excise tax, income tax, or other revenue not
30 derived from property taxes that was deposited in the
31 county family and children's fund in 2005; plus

32 (iii) any other amounts received as reimbursements from
33 the state (including reimbursements made with federal
34 money) and deposited in the county family and children's
35 fund in 2005;

36 as adjusted by the department of local government finance
37 by using the gross domestic product implicit price inflator,
38 state and local subseries, to account for inflation between
39 2005 and 2007.

40 (4) The result of:

41 (A) the amounts paid by the county in 2006, as
42 determined by the state board of accounts, for child

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services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2006, whether received from the federal government or from the state; plus

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2006; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2006;

adjusted by the department of local government finance by using the gross domestic product implicit price inflator, state and local subseries, to account for inflation between 2006 and 2007.

STEP TWO: Determine the result of the STEP ONE amount divided by four (4).

STEP THREE: Determine the result of:

(1) the STEP TWO amount; plus

(2) the result of:

(A) the cost of services ordered by a juvenile court that has been charged back to the county under IC 31-40-1-2 (as effective after June 30, 2007) in the preceding year; minus

(B) the sum of the estimated or actual amounts of a parent's or guardian's payments under IC 31-40-1 and distributions of excise taxes described in section 3(c)(2) of this chapter that the department of local government finance applies to reduce the levy imposed under this subsection.

STEP FOUR: Determine the sum of the following:

(1) The result of:

(A) the amounts paid by the county in 2005, as determined by the state board of accounts, for children's psychiatric residential treatment services from the county children's psychiatric residential treatment services fund; minus

(B) the sum of:

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(i) any grants-in-aid deposited in the county children's psychiatric residential treatment services fund in 2005, whether received from the federal government or from the state; plus

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county children's psychiatric residential treatment services fund in 2005; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county children's psychiatric residential treatment services fund in 2005; as adjusted by the department of local government finance by using the gross domestic product implicit price inflator, state and local subseries, to account for inflation between 2005 and 2007.

(2) The result of:

(A) the amounts paid by the county in 2006, as determined by the state board of accounts, for children's psychiatric residential treatment services from the county children's psychiatric residential treatment services fund; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county children's psychiatric residential treatment services fund in 2006, whether received from the federal government or from the state; plus

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county children's psychiatric residential treatment services fund in 2006; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county children's psychiatric residential treatment services fund in 2006; adjusted by the department of local government finance by using the gross domestic product implicit price inflator, state and local subseries, to account for inflation between 2006 and 2007.

STEP FIVE: Determine the result of the STEP FOUR amount divided by two (2).

STEP SIX: Determine the amount of the county's medical

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1 assistance property tax levy imposed in 2007.

2 **STEP SEVEN: Determine the amount of the county's children**
 3 **with special health care needs property tax levy imposed in**
 4 **2007.**

5 **STEP EIGHT: Determine the sum of the following:**

6 (1) The STEP THREE result.

7 (2) The STEP FIVE result.

8 (3) The STEP SIX amount.

9 (4) The STEP SEVEN amount.

10 (b) The department of local government finance shall review each
 11 county's property tax levy under this section and shall enforce the
 12 requirements of this section with respect to that levy. ~~and comply with~~
 13 ~~IC 6-1.1-17-3. The department of local government finance may~~
 14 **increase a county's levy in a year above the amount advertised for**
 15 **the fund to comply with this subsection.**

16 SECTION 20. IC 12-19-7-35 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2008]: **Sec. 35. (a) Subject to this**
 19 **section, before the fifth day of each month, all money contained in**
 20 **a county's fund at the end of the preceding month shall be**
 21 **transferred to the state child welfare fund established by**
 22 **IC 31-25-2-20.**

23 (b) Money deposited in the county family and children's fund
 24 from:

25 (1) property taxes imposed for an assessment date before
 26 January 16, 2007;

27 (2) the proceeds of bonds issued or loans taken out under
 28 IC 12-19-5 (repealed), IC 12-19-7.5, or a predecessor law to
 29 pay an obligation related to child services provided before
 30 January 1, 2008;

31 (3) the:

32 (A) financial institutions tax (IC 6-5.5);

33 (B) motor vehicle excise taxes (IC 6-6-5);

34 (C) commercial vehicle excise tax (IC 6-6-5.5);

35 (D) boat excise tax (IC 6-6-11); and

36 (E) aircraft excise tax (IC 6-6-6.5);

37 **that are distributed to the county as a result of the county's**
 38 **share of property taxes imposed before January 1, 2008, for**
 39 **the fund; and**

40 (4) grants-in-aid, fees collected from a parent, guardian, or
 41 custodian of a child, and other money attributable to child
 42 services provided before January 1, 2008;

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shall be used by a county to reduce the obligation of the county to pay for expenditures for child services and any other obligations that were incurred before January 1, 2008, and payable from the fund at the time they were incurred.

(c) The department of child services, with the approval of the state board of accounts, shall prescribe procedures and standards for allocating money in the fund among the purposes described in subsections (a), (b), and (e). A county shall use money in the fund in conformity with the procedures and standards prescribed in this subsection.

(d) The part of any outstanding obligation of the county family and children's fund that was incurred before January 1, 2008, and exceeds the amount retained under subsection (b), including the amount needed to repay the principal and interest on bonds issued under IC 12-19-7-31 (repealed), shall be transferred, after December 31, 2007, from the fund to the county's debt service fund or another sinking fund. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation. The county shall add to the tax duplicate of the county an annual levy sufficient to pay:

- (1) the outstanding obligation or bonds issued to pay the outstanding obligation; and
- (2) any interest due on the outstanding obligation or bonds issued to pay the outstanding obligation.

(e) Money deposited in the children's psychiatric residential treatment services fund from:

- (1) property taxes imposed for an assessment date before January 16, 2007;
- (2) the proceeds of bonds issued or loans taken out under IC 12-19-5 (repealed), IC 12-19-7, IC 12-19-7.5, or a predecessor law to pay an obligation related to children's psychiatric residential treatment services provided before January 1, 2008;
- (3) the:
 - (A) financial institutions tax (IC 6-5.5);
 - (B) motor vehicle excise taxes (IC 6-6-5);
 - (C) commercial vehicle excise tax (IC 6-6-5.5);
 - (D) boat excise tax (IC 6-6-11); and
 - (E) aircraft excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2008, for the fund; and

- (4) grants-in-aid, fees collected from a parent, guardian, or

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1 custodian of a child, and other money attributable to
2 children's psychiatric residential treatment services provided
3 before January 1, 2008;

4 shall be used by a county to reduce the obligation of the county to
5 pay for expenditures for children's psychiatric residential
6 treatment services and any other obligations that were incurred
7 before January 1, 2008, and payable from the fund at the time they
8 were incurred.

9 (f) The part of any outstanding obligation of the county
10 children's psychiatric residential treatment services fund that was
11 incurred before January 1, 2008, and exceeds the amount retained
12 under subsection (e), including the amount needed to repay the
13 principal and interest on bonds issued under IC 12-19-7.5-30
14 (repealed), shall be transferred, after December 31, 2007, from the
15 fund to the county's debt service fund or another sinking fund. The
16 county may issue bonds under IC 36-2-6-18 to pay or refund the
17 obligation. The county shall add to the tax duplicate of the county
18 an annual levy sufficient to pay:

19 (1) the outstanding obligation or bonds issued to pay the
20 outstanding obligation; and

21 (2) any interest due on the outstanding obligation or bonds
22 issued to pay the outstanding obligation.

23 SECTION 21. IC 16-33-4-17.5 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17.5. (a) **The**
25 **department of child services shall pay**, in the case of a child who is:

26 (1) admitted to the home from another county; and

27 (2) adjudicated to be a delinquent child or child in need of
28 services by the juvenile court in the county where the home is
29 located;

30 the juvenile court may order the county office of family and children
31 of the child's county of residence before the child's admission to the
32 home, to reimburse the cost of services ordered by the juvenile court,
33 including related transportation costs, and any cost incurred by the
34 county to transport or detain the child before the order is issued.

35 (b) ~~A county office of family and children ordered to reimburse~~
36 ~~costs under this section~~ **The department of child services** shall pay
37 the amount ordered from the ~~county family and children's fund~~
38 **sources of revenue described in IC 31-25-2-20.**

39 (c) The county office of family and children may require the parent
40 or guardian of the child, other than a parent, guardian, or custodian
41 associated with the home, to reimburse the ~~county family and children's~~
42 **fund department of child services** for an amount paid under this

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1 section.

2 (d) A child who is admitted to the home does not become a resident
3 of the county where the home is located.

4 (e) When an unemancipated child is released from the home, the
5 county office of family and children for the child's county of residence
6 before entering the home is responsible for transporting the child to the
7 parent or guardian of the child. If a parent or guardian does not exist for
8 an unemancipated child released from the home, the county office of
9 family and children of the child's county of residence before entering
10 the home shall obtain custody of the child.

11 SECTION 22. IC 20-26-11-12, AS AMENDED BY P.L.145-2006,
12 SECTION 150, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If a student is
14 transferred under section 5 of this chapter from a school corporation in
15 Indiana to a public school corporation in another state, the transferor
16 corporation shall pay the transferee corporation the full tuition fee
17 charged by the transferee corporation. However, the amount of the full
18 tuition fee may not exceed the amount charged by the transferor
19 corporation for the same class of school, or if the school does not have
20 the same classification, the amount may not exceed the amount charged
21 by the geographically nearest school corporation in Indiana that has the
22 same classification.

23 (b) If a child is:

24 (1) placed by a court order in an out-of-state institution or other
25 facility; and

26 (2) provided all educational programs and services by a public
27 school corporation in the state where the child is placed, whether
28 at the facility, the public school, or another location;

29 the county office of family and children for the county placing the child
30 **department of child services** shall pay from the ~~county family and~~
31 ~~children's fund sources of revenue described in IC 31-25-2-20~~ to the
32 public school corporation in which the child is enrolled the amount of
33 transfer tuition specified in subsection (c).

34 (c) The transfer tuition for which a county office is obligated under
35 subsection (b) is equal to the following:

36 (1) The amount under a written agreement among the ~~county~~
37 ~~office,~~ **department of child services**, the institution or other
38 facility, and the governing body of the public school corporation
39 in the other state that specifies the amount and method of
40 computing transfer tuition.

41 (2) The full tuition fee charged by the transferee corporation, if
42 subdivision (1) does not apply. However, the amount of the full

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tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school; the ~~county office of family and children for the county placing the child~~ **department of child services** shall pay from the ~~county family and children's fund~~ **sources of revenue described in IC 31-25-2-20** in an amount and in the manner specified in a written agreement between the ~~county office~~ **department of child services** and the institution or other facility.

(e) An agreement described in subsection (c) or (d) is subject to the approval of the director of the department of child services. However, for purposes of IC 4-13-2, the agreement shall not be treated as a contract.

SECTION 23. IC 20-26-11-13, AS AMENDED BY P.L.2-2006, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the

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individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court

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order, the institution or facility shall charge the ~~county office of the~~
~~county of the student's legal settlement under IC 12-19-7~~ **department**
of child services for the use of the space within the institution or
facility (commonly called capital costs) that is used to provide
educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school
where a transfer student is enrolled. The operating cost for each class
of school is based on the total expenditures of the transferee
corporation for the class of school from its general fund expenditures
as specified in the classified budget forms prescribed by the state board
of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure that is made out of the general fund from
extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal
to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined
under the rules adopted by the state board; multiplied by
 - (B) the number of students using the special equipment during
at least part of the school year.

(e) When an item of expense or cost described in subsection (c)
cannot be allocated to a class of school, it shall be prorated to all
classes of schools on the basis of the student enrollment of each class
in the transferee corporation compared with the total student
enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each
school year by dividing:

- (1) the transferee school corporation's operating costs for the class
of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the
transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for
less than the full school year of student attendance, the transfer tuition
shall be calculated by the part of the school year for which the
transferred student is enrolled. A school year of student attendance

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consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 20-43-9-8, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section

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without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.

SECTION 24. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 29. (a) It is unlawful for a person operating or responsible for:

- (1) an educational **school**;
- (2) a correctional **school**;
- (3) a charitable **school**; or
- (4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the ~~county office of family and children of the county of the child's legal settlement under IC 12-19-7~~ **department of child services** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per child cost.

SECTION 25. IC 31-9-2-17.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 17.4. "Child services" has the meaning set forth in IC 12-19-7-1.**

SECTION 26. IC 31-9-2-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 20.5. "Children's psychiatric residential treatment services" has the meaning set forth in IC 12-19-7.5-1.**

SECTION 27. IC 31-9-2-84.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 84.8. "Objection to services report" for the purposes of IC 31-34-21-0.5, IC 31-37-20-0.5, and IC 31-40-1-2, means a report containing a recommendation for the care, treatment, rehabilitation, or placement of a:**

- (1) child in need of services; or
- (2) delinquent child;

that is different than the care, treatment, rehabilitation, or placement of the child ordered by the juvenile court in the

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1 **dispositional decree.**

2 SECTION 28. IC 31-9-2-120.4 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2008]: **Sec. 120.4. "State fund" refers**
5 **to the state child welfare fund established by IC 31-25-2-20.**

6 SECTION 29. IC 31-25-2-7, AS ADDED BY P.L.145-2006,
7 SECTION 271, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JANUARY 1, 2008]: Sec. 7. The department is
9 responsible for the following:

- 10 (1) Providing child protection services under this article.
- 11 (2) Providing and administering child abuse and neglect
- 12 prevention services.
- 13 (3) Providing and administering:
 - 14 (A) child services; ~~(as defined in IC 12-19-7-1);~~ and
 - 15 (B) **children's psychiatric residential treatment services.**
- 16 (4) Providing and administering family services.
- 17 (5) Providing family preservation services under IC 31-26-5.
- 18 (6) Regulating and licensing the following under IC 31-27:
 - 19 (A) Child caring institutions.
 - 20 (B) Foster family homes.
 - 21 (C) Group homes.
 - 22 (D) Child placing agencies.
- 23 (7) Administering the state's plan for the administration of Title
- 24 IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).
- 25 (8) Administering foster care services.
- 26 (9) Administering independent living services (as described in 42
- 27 U.S.C. 677 et seq.).
- 28 (10) Administering adoption services.

29 SECTION 30. IC 31-25-2-17, AS ADDED BY P.L.145-2006,
30 SECTION 271, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) The department ~~may~~
32 **shall** establish a program to procure any of the services described in
33 section 7 of this chapter under a procurement agreement administered
34 by the department. The department may enter into procurement
35 agreements that cover the delivery of one (1) or more categories of
36 services to all the counties in a region determined by the department.
37 An agreement may provide for payment from state funds appropriated
38 for the purpose. ~~or direct billing of services to the county receiving the~~
39 ~~service.~~

40 (b) ~~If the department enters into a procurement agreement covering~~
41 ~~a county, the~~ A county, including the county's juvenile court, shall
42 procure all services covered by the procurement agreement in

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1 accordance with the regional procurement agreement and the policies
 2 prescribed by the department. With the approval of the department, a
 3 county may use services from an alternate provider.

4 (c) The costs incurred under a procurement agreement shall be
 5 shared by the counties covered by the procurement agreement. The
 6 department shall allocate the costs of a regional procurement
 7 agreement among the counties covered by the agreement in proportion
 8 to the use of the services by each county under the schedule prescribed
 9 by the department. A county shall pay the costs incurred under a
 10 procurement agreement from the:

11 (1) family and children's fund; or

12 (2) children's psychiatric residential treatment services fund;
 13 as appropriate.

14 (d) If the department pays the costs incurred under a procurement
 15 contract from state funds appropriated for the purpose, the department
 16 shall present a claim for reimbursement to the appropriate county
 17 auditor. The county executive shall review and allow the full amount
 18 of the claim in the manner provided in IC 36-2-6.

19 SECTION 31. IC 31-25-2-20 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2008]: **Sec. 20. (a) The state child**
 22 **welfare fund is established. The department shall administer the**
 23 **state fund.**

24 **(b) The state fund consists of the following:**

25 **(1) The money transferred to the state fund from each of the**
 26 **county's child welfare funds under IC 12-19-7-35, including**
 27 **amounts paid under IC 31-40-1-2 to the state by a county to**
 28 **reimburse the state for the costs of services ordered by a**
 29 **juvenile court.**

30 **(2) Any fees or costs paid to the state by a child's parent or**
 31 **guardian under a support order or reimbursement order**
 32 **under IC 31-40-1.**

33 **(3) Any contributions to the state fund from individuals,**
 34 **corporations, foundations, or others for the purpose of**
 35 **providing child services.**

36 **(4) Any appropriations made to the state fund by the general**
 37 **assembly. However, this section does not obligate the general**
 38 **assembly to appropriate money to the state fund.**

39 **(5) Any TANF program (as defined in IC 12-7-2-189.8),**
 40 **Medicaid program (as defined in IC 12-7-2-128), or other**
 41 **grants that are received from the federal government and**
 42 **deposited in the state fund.**

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(6) Any other money required by law to be deposited in the state fund.

(c) The department of child services shall pay the following from the state fund:

(1) Expenses and obligations incurred by the department of child services in the payment of child services for children adjudicated to be:

(A) children in need of services; or

(B) delinquent children;

and other related services, but not including the payment of TANF.

(2) Expenses and obligations incurred by the department in the payment of children's psychiatric residential treatment services for children who are residents of Indiana.

(3) Medical care, including psychiatric care and institutional psychiatric care, for wards of the department of child services (described in IC 12-15-2-16).

(4) Services to children with special health care needs.

(5) Any other expenditures for services described in section 7 of this chapter or a procurement contract described in section 17 of this chapter.

(6) Any expense of the type that was payable before January 1, 2008, from:

(A) a county family and children's fund;

(B) a county children's psychiatric residential treatment services fund;

(C) the children with special health care needs state fund; or

(D) the state medical assistance to wards fund.

(7) Any other expense or obligation that is required to be paid from the state fund by law.

(d) The department may use money in the state fund to settle the relative obligations of a county and the department of child services for services provided before January 1, 2008.

(e) The treasurer of state shall invest the money in the state fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(f) Money in the state fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 32. IC 31-31-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The juvenile court may establish juvenile detention and shelter care

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1 facilities for children, except as provided by IC 31-31-9.

2 (b) The court may contract with other agencies to provide juvenile
3 detention and shelter care facilities.

4 (c) If the juvenile court operates the juvenile detention and shelter
5 care facilities, the judge shall appoint staff and determine the budgets.

6 (d) The county shall pay all expenses. The expenses for the juvenile
7 detention facility shall be paid from the county general fund. ~~Payment~~
8 ~~of the expenses for the juvenile detention facility may not be paid from~~
9 ~~the county family and children's fund established by IC 12-19-7-3.~~

10 SECTION 33. IC 31-31-8-4 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) This section
12 applies to a county having a population of more than one hundred ten
13 thousand (110,000) but less than one hundred fifteen thousand
14 (115,000).

15 (b) Notwithstanding section 3 of this chapter, the juvenile court
16 shall operate a juvenile detention facility or juvenile shelter care
17 facility established in the county. However, the county legislative body
18 shall determine the budget for the juvenile detention facility or juvenile
19 shelter care facility. The expenses for the juvenile detention facility
20 shall be paid from the county general fund. ~~Payment of the expenses for~~
21 ~~the juvenile detention facility may not be paid from the county family~~
22 ~~and children's fund established by IC 12-19-7-3.~~

23 SECTION 34. IC 31-34-21-0.5 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2008]: **Sec. 0.5. (a) After the date of a**
26 **dispositional decree, the department is entitled to file an objection**
27 **to services report with the juvenile court that entered the decree.**

28 (b) If the department chooses to file an objection to services
29 report, the department shall:

30 (1) not more than five (5) days after the date of the
31 dispositional decree notify the juvenile court of the
32 department's intent to file an objection to services report; and

33 (2) not more than five (5) days after the date of the
34 notification filed under subdivision (1) file the objection to
35 services report with the juvenile court.

36 (c) If the department files an objection to services report, the
37 department shall provide the juvenile court with a confidential
38 written explanation indicating:

39 (1) the reason the department recommended different services
40 than the services ordered in the dispositional decree; and

41 (2) the difference in cost between the services recommended
42 in the objection to services report and the services ordered in

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the dispositional decree.

(d) If, after reviewing the objection to services report, the juvenile court seeks to consider modification of the dispositional decree, the juvenile court shall proceed under IC 31-34-23.

SECTION 35. IC 31-34-24-8, AS AMENDED BY P.L.145-2006, SECTION 327, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-35-6-2.
- (7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-7~~ and IC 31-40.
- (8) Probation user's fees under IC 31-40-2-1.
- (9) Child advocacy fund under IC 12-17-17.

SECTION 36. IC 31-34-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the ~~county fiscal body~~ **department of child services** shall consider the plan. ~~in developing the family and children's fund budget.~~

(b) The ~~county fiscal body~~ **department of child services** may appropriate from the family and children's fund any amounts necessary **use money from the sources described in IC 31-25-2-20** to provide funding to implement the plan.

SECTION 37. IC 31-37-20-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 0.5. (a) After the date of a dispositional decree, the department is entitled to file an objection to services report with the juvenile court that entered the decree.

(b) If the department chooses to file an objection to services report, the department shall:

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(1) not more than five (5) days after the date of the dispositional decree notify the juvenile court of the department's intent to file an objection to services report; and
 (2) not more than five (5) days after the date of the notification filed under subdivision (1) file the objection to services report with the juvenile court.

(c) If the department files an objection to services report, the department shall provide the juvenile court with a confidential written explanation indicating:

(1) the reason the department recommended different services than the services ordered in the dispositional decree; and
 (2) the difference in cost between the services recommended in the objection to services report and the services ordered in the dispositional decree.

(d) If, after reviewing the objection to services report, the juvenile court seeks to consider modification of the dispositional decree, the juvenile court shall proceed under IC 31-37-22.

SECTION 38. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. This article applies to a financial burden sustained by a county ~~or the state~~, as the result of costs paid by the county under section 2 of this chapter ~~(as effective December 31, 2007) and the county or state under section 2 of this chapter (as effective after December 31, 2007)~~, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services ~~and the amount of any charge back to a county under section 2 of this chapter~~.

SECTION 39. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) ~~The department of child services shall pay for the cost of services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention or probation services, if the services are set forth in a dispositional decree entered by the juvenile court.~~

(b) ~~If an objection to services report is filed under IC 31-34-21-0.5 or IC 31-37-20-0.5, the department of child services may charge back to the county the difference in cost between the services recommended in the objection to services report and the services ordered in the dispositional decree.~~

~~(a) (c) The county shall pay reimburse the department of child services from the county family and children's child welfare fund for the cost of:~~

(1) any services ordered by the juvenile court ~~for any child or the~~

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1 child's parent, guardian, or custodian, other than secure detention;
 2 **that the department of child services has charged back to the**
 3 **county under subsection (b); and**

4 (2) returning a child under IC 31-37-23.

5 ~~(b)~~ (d) The county fiscal body shall provide sufficient money to
 6 meet the ~~court's requirements~~; **county's obligation to reimburse the**
 7 **department of child services for the services that are charged back**
 8 **to the county under subsection (b).**

9 (e) Upon request by the county fiscal body, the department of
 10 child services shall provide an accounting of the difference in cost
 11 between the services recommended in the objection to services
 12 report and the services ordered in the dispositional decree.

13 SECTION 40. IC 31-40-1-3 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A parent or
 15 guardian of the estate of a child adjudicated a delinquent child or a
 16 child in need of services is financially responsible as provided in this
 17 chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered
 18 by the court.

19 (b) Each parent of a child alleged to be a child in need of services
 20 or alleged to be a delinquent child shall, before a dispositional hearing,
 21 furnish the court with an accurately completed and current child
 22 support obligation worksheet on the same form that is prescribed by the
 23 Indiana supreme court for child support orders.

24 (c) At:

- 25 (1) a detention hearing;
 26 (2) a hearing that is held after the payment of costs by a county
 27 under section 2 of this chapter (or IC 31-6-4-18(b) before its
 28 repeal);
 29 (3) the dispositional hearing; or
 30 (4) any other hearing to consider modification of a dispositional
 31 decree;

32 the juvenile court shall order the child's parents or the guardian of the
 33 child's estate to pay for, or reimburse the county **or the department of**
 34 **child services, as appropriate**, for the cost of services provided to the
 35 child or the parent or guardian unless the court finds that the parent or
 36 guardian is unable to pay or that justice would not be served by
 37 ordering payment from the parent or guardian.

38 (d) **Subject to subsection (e), when the court orders a child's**
 39 **parent or the guardian of the child's estate to make a payment or**
 40 **reimbursement under subsection (c), the court shall order the**
 41 **reimbursement to be paid to:**

- 42 (1) the county if the county pays the cost of services or is

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1 required to reimburse the department of child services for the
 2 cost of services from the county child welfare fund; and
 3 (2) if subdivision (1) does not apply, the department of child
 4 services.

5 (e) If the county executive adopts a resolution incorporating a
 6 written agreement with the department of child services to offset
 7 payments against any reimbursement otherwise due from the
 8 county to the department of child services, the court may order
 9 that payment that is required to be made to the county under
 10 subsection (d)(1) be made to the department of child services.

11 SECTION 41. IC 31-40-1-4 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. **Subject to**
 13 **section 3(e) of this chapter**, the parent or guardian of the estate of any
 14 child returned to Indiana under the interstate compact on juveniles
 15 under IC 31-37-23 shall reimburse the county for all costs:

16 (1) payable or which under section 2 of this chapter must be
 17 reimbursed by the county from the county child welfare fund;
 18 and

19 (2) involved in returning the child;

20 that the court orders the parent or guardian to pay under section 3 of
 21 this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the
 22 child has been adjudicated a delinquent child or a child in need of
 23 services.

24 SECTION 42. IC 31-40-1-5, AS AMENDED BY P.L.145-2006,
 25 SECTION 362, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) This section applies
 27 whenever the court orders or approves removal of a child from the
 28 home of a child's parent or guardian and placement of the child in a
 29 child caring institution (as defined in IC 31-9-2-16.7), a foster family
 30 home (as defined in IC 31-9-2-46.9), or the home of a relative of the
 31 child that is not a foster family home.

32 (b) If an existing support order is in effect, the court shall order the
 33 support payments to be assigned to the ~~county office~~ **department of**
 34 **child services** for the duration of the placement out of the home of the
 35 child's parent or guardian. The court shall notify the court that:

36 (1) entered the existing support order; or

37 (2) had jurisdiction, immediately before the placement, to modify
 38 or enforce the existing support order;

39 of the assignment and assumption of jurisdiction by the juvenile court
 40 under this section.

41 (c) If an existing support order is not in effect, the court shall do the
 42 following:

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(1) Include in the order for removal or placement of the child an assignment to the ~~county office~~, **department of child services**, or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

(2) Order support paid to the ~~county office~~ **department of child services** by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office **or the department of child services** does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for ~~the cost of (in whole or in part)~~ and the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the ~~county office~~ **department of child services**.

(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 31-25-3, IC 31-25-4, and 42 U.S.C. 654. The

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1 county office shall, if requested, assist the Title IV-D agency in
2 performing its duties under this subsection.

3 (f) If the juvenile court terminates placement of a child out of the
4 home of the child's parent or guardian, the court shall:

5 (1) notify the court that:

6 (A) entered a support order assigned to the county office under
7 subsection (b); or

8 (B) had jurisdiction, immediately before the placement, to
9 modify or enforce the existing support order;

10 of the termination of jurisdiction of the juvenile court with respect
11 to the support order;

12 (2) terminate a support order entered under subsection (c) that
13 requires payment of support by a custodial parent or guardian of
14 the child, with respect to support obligations that accrue after
15 termination of the placement; or

16 (3) continue in effect, subject to modification or enforcement by
17 a court having jurisdiction over the obligor, a support order
18 entered under subsection (c) that requires payment of support by
19 a noncustodial parent or guardian of the estate of the child.

20 (g) The court may at or after a hearing described in section 3 of this
21 chapter order the child's parent or the guardian of the child's estate to
22 reimburse:

23 (1) the county ~~office~~ for all or any portion of the expenses for
24 services provided to or for the benefit of the child that are paid
25 **(or must be reimbursed by the county)** from the county ~~family~~
26 ~~and children's child welfare~~ fund; and

27 **(2) if subdivision (1) does not apply, the department of child**
28 **services;**

29 during the placement of the child out of the home of the parent or
30 guardian, in addition to amounts reimbursed through payments in
31 accordance with a support order assigned or entered as provided in this
32 section, subject to applicable federal law.

33 **(h) A support order requiring payment to a county office shall**
34 **be treated after December 31, 2007, as requiring payment to the**
35 **department of child services.**

36 SECTION 43. IC 31-40-1-6, AS AMENDED BY P.L.145-2006,
37 SECTION 363, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The department ~~with the~~
39 ~~approval of the county fiscal body~~; may contract with any of the
40 following, on terms and conditions with respect to compensation and
41 payment or reimbursement of expenses as the department may
42 determine, for the enforcement and collection of any parental

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reimbursement obligation established by order entered by the court under section 3 or 5(g) of this chapter:

(1) The prosecuting attorney of the county that paid the cost of the services ordered by the court, as provided in section 2 of this chapter **(as effective on December 31, 2007), and the prosecuting attorney of the county where the child resides for the costs of services ordered by the court, as provided in section 2 of this chapter (as effective after December 31, 2007).**

(2) An attorney for the department on behalf of the county office that paid the cost of services ordered by the court, if the attorney is not an employee of the county office or the department.

(3) An attorney licensed to practice law in Indiana.

(b) A contract entered into under this section is subject to approval under IC 4-13-2-14.1.

(c) Any fee payable to a prosecuting attorney under a contract under subsection (a)(1) shall be deposited in the county general fund and credited to a separate account identified as the prosecuting attorney's child services collections account. The prosecuting attorney may expend funds credited to the prosecuting attorney's child services collections account, without appropriation, only for the purpose of supporting and enhancing the functions of the prosecuting attorney in enforcement and collection of parental obligations **to reimburse the county family and children's fund ordered by the court under section 3 or 5(g) of this chapter.**

SECTION 44. IC 31-40-1-7, AS AMENDED BY P.L.145-2006, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) Amounts received as payment of support or reimbursement of the cost of services paid as provided in this chapter shall be distributed in the following manner:

(1) If any part of the cost of services was paid from federal funds under Title IV Part E of the Social Security Act (42 U.S.C. 671 et seq.), the amounts received shall first be applied as provided in 42 U.S.C. 657 and 45 CFR 302.52.

(2) **Subject to section 3(e) of this chapter,** all amounts remaining after the distributions required by subdivision (1) shall be deposited in:

(A) the family and children's county child welfare fund (established by IC 12-19-7-3) of the if the money is received to pay a county that paid the cost of the services; obligation; or

(B) the state child welfare fund (established by

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IC 31-25-2-20) if the money is received to pay an obligation of the state fund.

(b) Any money deposited in a county family and children's fund under this section shall be reported to the department, in the form and manner prescribed by the department, and ~~shall be applied to the child services budget compiled and adopted by the county director for the next state fiscal year; in accordance with IC 12-19-7-6.~~ **obligations of the county child welfare fund.**

SECTION 45. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the county **or state**; or

(2) fails to pay a fee authorized by this article;

the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due.

SECTION 46. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008]: IC 12-13-8; IC 12-13-9; IC 12-19-5; IC 12-19-7-1.5; IC 12-19-7-6; IC 12-19-7-7; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-11; IC 12-19-7-11.1; IC 12-19-7-15; IC 12-19-7-16; IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20; IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24; IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28; IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 12-19-7-33; IC 12-19-7.5-2; IC 12-19-7.5-5; IC 12-19-7.5-6; IC 12-19-7.5-8; IC 12-19-7.5-9; IC 12-19-7.5-11; IC 12-19-7.5-12; IC 12-19-7.5-13; IC 12-19-7.5-14; IC 12-19-7.5-15; IC 12-19-7.5-16; IC 12-19-7.5-17; IC 12-19-7.5-18; IC 12-19-7.5-19; IC 12-19-7.5-20; IC 12-19-7.5-21; IC 12-19-7.5-22; IC 12-19-7.5-23; IC 12-19-7.5-24; IC 12-19-7.5-25; IC 12-19-7.5-26; IC 12-19-7.5-27; IC 12-19-7.5-28; IC 12-19-7.5-29; IC 12-19-7.5-30; IC 12-19-7.5-31; IC 12-19-7.5-32; IC 12-19-7.5-33; IC 16-35-3; IC 16-35-4.

SECTION 47. [EFFECTIVE JANUARY 1, 2008] (a) **Any contract for services described in IC 31-25-2-7, as amended by this act, that was entered into before January 1, 2008, by a county in compliance with the law governing the county and with the approval of the department of child services shall be treated after December 31, 2007, as a contract of the department of child services.**

(b) **Any property related to a service described in IC 31-25-2-7, as amended by this act, that is transferred to the state by this act, shall be treated after December 31, 2007, as the property of the department of child services.**

(c) **On January 1, 2008, the balance of each county's county**

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1 family and children trust clearance fund becomes part of the
 2 family and children trust clearance fund established under
 3 IC 12-19-1-16, as amended by this act. Any reference in a county
 4 or a county office in a document related to money in a county
 5 family and children trust fund shall be treated after December 31,
 6 2007, as a reference to the department of child services. Any
 7 reference in a document related to a county family and children
 8 trust fund shall be treated after December 31, 2007, as a reference
 9 to the family and children trust clearance fund established by
 10 IC 12-19-1-16, as amended by this act. Not later than January 10,
 11 2008, the county auditor shall transfer the balance of the county's
 12 county family and children trust clearance fund to the department
 13 of child services for deposit in the family and children trust
 14 clearance fund established under IC 12-19-1-16, as amended by
 15 this act. The money transferred under this subsection is subject to
 16 the obligations of the county family and children trust clearance
 17 fund from which the money is transferred and the restrictions on
 18 any gifts or grants that apply to the money being transferred.

19 (d) The department of child services may adopt temporary rules
 20 in the manner provided for the adoption of emergency rules under
 21 IC 4-22-2-37.1 to implement this SECTION. A temporary rule
 22 adopted under this subsection takes effect in the same manner as
 23 an emergency rule adopted under IC 4-22-2-37.1. Notwithstanding
 24 IC 4-22-2-37.1, a temporary rule adopted under this subsection
 25 expires on the earliest of the following:

- 26 (1) The date specified in the temporary rule.
- 27 (2) The date that another temporary rule adopted under this
- 28 subsection amends, repeals, or supersedes the previously
- 29 adopted temporary rule.
- 30 (3) The date that a permanent rule adopted under IC 4-22-2
- 31 amends, repeals, or supersedes the previously adopted
- 32 temporary rule.
- 33 (4) January 1, 2009.

34 (e) Any balance remaining in:

- 35 (1) the children with special health care needs state fund; and
- 36 (2) the state medical assistance to wards fund;

37 on December 31, 2007, is transferred to the state child welfare fund
 38 established by this act.

39 (f) Any balance remaining in:

- 40 (1) a county psychiatric residential treatment services fund;
- 41 (2) a county medical assistance to wards fund; or
- 42 (3) a children with special health care needs county fund;

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1 on December 31, 2007, is transferred to the county's child welfare
2 fund established under IC 12-19-7-3, as amended by this act.

3 SECTION 48. [EFFECTIVE JANUARY 1, 2008] (a) The
4 legislative services agency shall prepare legislation for introduction
5 in the 2008 regular session of the general assembly to correct
6 statutes affected by this act.

7 (b) This SECTION expires July 1, 2008.

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